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Sent: Thursday, May 31, 2012 12:05 PM
To: Hanchett, James (DPH)
Subject: The \$126 million unanswered phone call



The \$126 Million Phone Call That Went Unanswered for 17 Years

The inside story of how a major league pitcher's record-breaking contract spurred an investment alternative 17 years in the making. It may be just the opportunity YOU are looking for...

Dear Investor,

In December 2006, the phone rang in a small office in Alexandria, Virginia.

On the other end of the line was a man whose son, a Cy Young-winning pitcher, had just signed a \$126 million contract with the San Francisco Giants.

Terrific news, right? But the guy had a problem. All of a sudden, creepy characters were circling his family. And he didn't particularly like the financial advisors the players' union had recommended...

So he was calling to see if famed investor Tom Gardner would manage his son's fortune.

Tom felt compelled to decline his request, pointing out that he'd spent years arguing that the best person to look after your financial future is YOU -- while criticizing Wall Street and the "professional money managers" unmercifully.

"That's the point," the man said. "I don't trust them. I trust you!"

This wasn't the first time Gardner had struggled with this. He'd heard similar requests from people who liked what he and his colleagues had to say about investing in the world's best companies for the long term, but didn't really have the time or energy to manage their own money...

For years, Tom Gardner had been dodging this call. But it always nagged at him. Because if such a thing were possible, a homegrown, Foolish mutual fund could help investors like you build their long-term wealth...

Well, at last we believe we've put together a fund that can do just that.

You may know Tom as...

You may already know Tom Gardner as the CEO and co-founder of The Motley Fool, the trusted investor education company that *The Economist* has called "an ethical oasis."

And you've probably heard about how Tom and his brother David started The Motley Fool in their parents' garage in 1993, with the simple goal of building the world's greatest investment community.

The part of the story you haven't heard is even more fascinating...

It's this: after hearing directly from that concerned father, Tom set out to answer the world's greatest investment community's top request... and surprised investors like you with a bold alternative.

The *real* great American pastime

Do you believe America's best days have passed? That investing in this country is a losing game from here on out, and that there's no hope for individual investors seeking market-beating returns?

Neither do we. Here at Motley Fool Funds, we're not buying the negativity blasting out over the U.S. financial media. And we're not buying the idea that all the best growth opportunities are abroad.

"The new normal" is a good catch phrase.

But it's wrong. We believe in America. Just like you do. An America that is home to the world's great entrepreneurs -- and offers real value opportunities for patient, long-term investors.

That's why our Motley Fool Great America Fund scours the market for small- and mid-cap American companies.

When you invest with us at Motley Fool Great America Fund, we won't just shovel your money into Apple or Ford -- or any other S&P 500 company, for that matter.

We spend most of our time looking elsewhere for opportunities. This is a conscious decision we made for a number of reasons.

First, we believe that most investors are already far too exposed to familiar large-cap names like Apple and even Ford (they're not called "widely held" for nothing, right?)...

After all, while the S&P 500 is referred to as "the market"... and while 500 companies does seem like a lot... every single one of those is a large company. In other words, investors who think they own "the market," often really don't.

Making matters worse, the S&P 500 is what's called "market-cap weighted" -- which means, among other things, that investors who hold the index are even more HEAVILY exposed to a handful of the world's largest companies than they might suppose.

(Unfortunately, the exact same thing can be said of too many of the world's most popular mutual funds. We think that's a mistake.)

Another reason we look beyond the S&P 500...

Let's face it: with dozens of Wall Street analysts watching their every move, the market is much more efficient at valuing widely held S&P stocks. As a result, when you concentrate on these names, you not only risk missing out on the growth opportunities offered by smaller companies...

You are pitting your wits against the most educated, highly paid analysts in the world -- thousands of them! We believe this explains why years of data compiled by Ibbotson Associates indicates that, as a group, small- and mid-cap companies have historically outperformed their large-cap peers.

But size is not our only criteria. We'll only invest in what we believe are well-managed companies with strong financial positions -- operating in industries our investing team *truly* understands.

Our portfolio manager Bill Mann will dissect each company's strategy, competitive position, operations, and performance before investing... and carefully review all pertinent public documents and official communications.

And while the market offers no guarantees, it is our stated mission to buy these companies at *meaningful discounts* to what we consider their fair values.

A different kind of mutual fund company

Just as Motley Fool CEO and co-founder Tom Gardner intended, Motley Fool Funds is not

your typical mutual fund company.

Our entire staff occupies just one unassuming corner of the first floor of the old Time-Life building in Alexandria, Virginia – a world away from the massive Wall Street banks and huge financial-services conglomerates whose skyscrapers you see advertised on TV.

We don't have a bustling trading desk, or a seat on the exchange. Nor do we hobnob with investment bankers or hedge-funders.

Frankly, we're small. And we keep things simple. So be aware...

When you invest with us at Motley Fool Funds, you are investing in partnership with a small, dedicated team of stock analysts and a value-obsessed manager whose sole mission in life is to dig up the market's *hidden opportunities*.

In other words, the kind of investment opportunities that we're convinced can help YOU build your wealth and get you securely on the road to reaching your long-term financial goals.

You already know Bill Mann



For years, he was among the most widely followed of all of The Motley Fool's independent stock analysts. He was read regularly by investors worldwide.

In 2001, he went to bat for the individual investor before Congress, where he let loose on the stomach-churning abuses of Ken Lay's gang of white-collar crooks at Enron, among others.

Yet for all his work championing the individual investor, Bill Mann is first and foremost a dedicated stock analyst with a passport full of stamps from six continents and years of business and investing experience. We believe this is a fortunate combination indeed.

But we're not the only ones who've been convinced! In fact Bill Mann was just named a "Rising Star" by *Institutional Investor*, which cited Motley Fool Funds' asset growth, performance, and investing style...

This is your opportunity to invest with a "Rising Star" – and an analyst who combines a deep understanding of the market with an unshakeable temperament and a lifelong commitment to you, the individual investor.

A fee structure that truly serves shareholders

There's another way Motley Fool Great America Fund is a little bit different from your typical mutual fund...

For starters, Motley Fool Great America Fund is a no-load fund. That means you never pay an up-front sales charge or commission to invest with us. You aren't made to pay so-called 12b-1 fees to help us market the fund, either.

And did we mention that we get paid for beating the market?

If we don't outperform our benchmark, we make less. That's because we've opted for an unusual compensation model that allows our fees to increase or decrease depending on the fund's performance.

In the industry, this is called a "fulcrum fee" structure. You can learn more about how it works by reading the fund prospectus. (To see other fees associated with the fund, you may also consult the fund prospectus.)

This unusual component of our fee structure gives us the incentive to earn the highest possible return relative to the market, not merely pump up the fund's assets the way many other funds do.

Just as important, our award-winning portfolio manager, Bill Mann, is a meaningful shareholder in the fund... So he's investing right along with you.

And here's something else: The Motley Fool has \$1 million of its own money invested in Motley Fool Great America Fund.

So you see, our interests really are aligned with yours, in more ways than one.

The full Fool Funds experience

Here are a few more features and benefits you can always count on receiving from Motley Fool Funds...

Unwavering temperament: Because investing for your future is a marathon, not a sprint, we don't try to time the ups and downs of the market. We don't get rattled in rocky waters... or chase the latest Wall Street fad.

We invest your money with confidence – comfortable in the knowledge that if we've done our homework and bought great companies at good prices, the market may eventually see it our way.

Frank, friendly communications: We don't hide from you if things get tough. We'll talk to you frankly, in plain English, like a trusted partner.

At Motley Fool Funds, we hope you'll look forward to hearing from us -- as we will certainly look forward to hearing from you.

Fair, performance-based fees: At Motley Fool Funds, we have a financial incentive to help you do better than the market. We've chosen a compensation model that allows our fees to increase or decrease depending on the performance of the fund.

In other words, our interests are aligned with yours. For more on our unusual performance-based "fulcrum fee" structure, please read the fund prospectus.

21st-century convenience: The Motley Fool is an Internet success story, after all. Now, thanks to our secure, interactive website, FoolFunds.com, getting invested and managing your account has never been easier or more convenient.

A Word About Risk

Of course, any investment comes with risks. We don't promise that you'll make money with the fund. Over any given time period, no matter how hard or how long the fund's investment advisor works, the value of the fund could go down and you could lose money, including principal. We endeavor to find companies that are both great businesses and great investments, but there can be no guarantee that we will succeed. Keep in mind that Motley Fool Great America Fund is new, without a long-term track record.

And because the fund invests in small- and mid-cap companies, some extra risk may be involved. Small- and mid-cap companies may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. These stocks tend to be more volatile and less liquid than their large-cap counterparts.

Also, "value style" investing entails its own risks. "Value stocks" can continue to be undervalued by the market for long periods of time, and the Fund could perform poorly if the investment advisor's assessment of a company's true value or prospects is inaccurate.

The fund is not for everyone. If you're seeking something other than long-term capital appreciation -- for example, current income to live on -- or if you're not comfortable with the risks, or if you expect to need your money back soon, this is not the fund for you. We strongly encourage you to read more about the fund's strategies and risks in its prospectus.

Are you ready to invest? Hold on! Don't send us a penny unless...

As a member of the Fool Funds community, you know the routine. We're looking for patient, long-term investors. Shareholders whose investing temperament matches our own.

Frankly, we'd rather not take on investors who are tempted to pull out when stocks temporarily go on sale -- in other words, precisely when WE are most eager to go shopping for bargains.

Plus, unlike what we believe many U.S. mutual funds are doing, we intend to be long-term, buy-and-hold investors. And not just because it makes life easier for our portfolio manager.

We firmly believe -- and the vast preponderance of evidence shows -- that attempts at market timing put YOU at a grave disadvantage and greatly reduces your chances of outperforming the market over the long term.

For this reason, and to help keep the fund's expenses low, we discourage small accounts and short-term trading by assessing a \$24 annual fee on accounts of less than \$10,000 in value, as well as a 2% redemption fee on shares redeemed within 90 days of purchase.

So, while we hate to turn investors away, if you're not a patient, long-term investor, Motley Fool Great America Fund may not be for you.

After all, not only are you trusting us with your hard-earned money -- an honor we take very seriously, I assure you -- our friends and family will be investing right alongside you...

In fact, The Motley Fool has invested \$1 million of the company's own money!

Get invested now!

If YOU believe in America as we do and if you are a patient, long-term investor, then Motley Fool Great America Fund may be right for you.

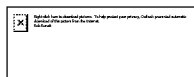
We hope you'll join us in this exciting venture! Taking the next step is easy...

You can get invested in Motley Fool Great America Fund right now. Simply click the link to get started. You'll have the chance to look over our Fund prospectus. You'll also have the chance to purchase shares...

GET INVESTED!

Here's to "Great America"!

Fool on,



Rob Runett
Director, Retail Funds
Motley Fool Asset Management

P.S. You can now invest in Motley Fool Great America Fund (TMFGX) directly through your broker! Including **Charles Schwab, TD Ameritrade, Fidelity, Scottrade, USAA, and Vanguard** -- making it even easier to take the first step toward achieving your financial goals. Please contact your brokerage firm to find out if it offers the Great America Fund.

Mutual fund investing involves risk, including possible loss of principal. There is no guarantee that the Fund will meet its stated objective. Please consider the charges, risks, expenses, and investment objectives carefully before you invest. Please consult the Motley Fool Great America Fund prospectus for this and other information. Read it carefully before you invest or send money.

The investment adviser for Motley Fool Great America Fund is Motley Fool Asset Management, LLC, a wholly owned subsidiary of The Motley Fool Holdings, Inc., which is a multimedia financial-services holding company. Shares of the fund are distributed by Foreside Funds Distributors LLC, Berwyn, PA. a registered broker-dealer not affiliated with The Motley Fool.

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